V. ADMINISTRATIVE ORGANIZATION

This chapter presents a brief summary of the statutory provisions for the overall employment security agency, the advisory councils, and the appeals authorities. All these provisions emphasize the public interest in the program as well as the interest of employers and employees as the groups most immediately concerned.

Place of the Employment Security Agency in the State Government

There are no Federal requirements concerning the form of State administrative organization or its position in the State government. The Wagner-Peyser Act, the basic law of the employment service, requires that States designate, or authorize the creation of, a State agency vested with all powers necessary to cooperate with the United States Employment Service. The Social Security Act requires that State laws must include provision for making such reports containing such information as the Secretary of Labor may require. All the State laws include provisions that meet these specific Federal requirements and a general statement on Federal-State cooperation.

The administrative organization of the employment security agencies shows considerable diversity. Sixteen State employment security agencies are independent boards or commissions. Seventeen are independent departments of State governments, reporting directly to the Governor. Another 17 are in State departments of labor, and one is in the State workmen's compensation agency. These various types of administrative organization are outlined in the three parts of table 35.

Independent board or commission.—The 16 employment security or unemployment compensation commissions or boards are made up of 3 to 7 members, usually 3, appointed by the Governor, except in South Carolina where members of the commission are elected by the State General Assembly.

The interest of employer and labor groups and of the public in the program is recognized in the statutory provisions for tripartite membership in five commissions. In the District of Columbia and Michigan, employer and employee groups must be represented. In Mississippi, where the 3 members represent the 3 State Supreme Court districts, 1 member must be a representative of workers. Indiana requires 1 representative of large employers and 1 of independent merchants and small employers as well as 2 representatives

Table 35.—Organization of State employment security agencies

A.—Independent commission or board (16 States)

	Name of commission or ber of			Executive office	officers		
State	board	pers	Interests represented	Basis of payment	Designation of chairman	Title	Appointed by—
Arizona	Employment Security Commission.	8		Part-time	Elected by Commission.	ment Compensation Division.	Commission
Delaware	Unemployment Com- pensation Commis- ston.	4	Blpartisan	Chairman, full-time, 3 part-time members.	Appointed by Governor.	Director, Employment Service Division Ohairman and executive director.	Governor,
District of Colum-	Unemployment Com- pensation Board.	5	representatives ap- pointed by Board of	3 District Commission- ers ex officio, 2 per diem members	By statute, President of Board of Commission- ers appointed by Presi-	Director and secretary of board.	Board.
Indiana	Employment Security Board.	8	Commissioners Tripartite	Per diem	dent of United States Elected by Board	Executive director of Employment Security Division and Secretary of Board.	Governor.
lowa	Commission I	8	Bipartisan and tripar-	Full-time	Elected by Commission	Chairman	Commission.
Meine	Employment Security Commission.	3	Bipartisan and tripar-	Full-time	By statute, public mem-	Chairman	Governor.
Michigan		4,	Bipartisan and employ- er and employee.	Per diem	Blected by Commission.	Director and secretary	Commission.
Mississippi		8	Employes	Part-time	Appointed by Governor.		Commission.
Montana	Unemployment Com- pensation Commission	3	Blpartisan	Chairman, full-time; 2	Appointed by Governor.		Governor.
New Mexico		3		Chairman, full-time, 2	Appointed by Governor.		Covernor
North Carolina	Employment Security Commission.	7	Tripartite in practice	Chairman, full-time, 6 per diem members.	Appointed by Governor.	Chairman	Governor,
Oklahoma	Employment Security	5	Tripartite	Per diem	By statute, public mem- ber.	Executive director	Commission.
South Carolina		3		Full-time	Elected by Commission.	Executive director	Commission.

Teras	Employment Commis-	3 '	Tripattite	Full time	By statute, public mem-		Governor.
Vermont			Bipartisan		Der. Appointed by Governor	director. Chairman	Commission.
Wyoming	pensation Commission. Employment Security	3	Bipartisan (tripartite in	per diem members. Chairman, part-time: 2	By statute, Commis-	Executive director	Commission.
	Commission.		practice)	per diem members	sioner of Labor.		

Also administers State retirement system.
 One member from each Supreme Court district and one member must be a representative of employees.
 Members of Commission are elected by State General Assembly.

B.—Independent department of State government (17 States)

State	Name of department	Title of executive officer	Explanatory notes
CaliforniaColorado	Department of Employment	Director of Employment. Executive director	Unemployment Compensation Commission (Industrial Commission ex officio) with tripartite membership is in Depart ment of Employment, it functions as second appeal authority
IdahoKentucky		Executive director Commissioner of Economic Security	and exercises such powers as approving regulations Commissioner is chairman and public member of the Unem ployment Insurance Commission, a 3-man tripartite body which functions as second appeal authority and adopts rules and regulations
Maryland Massachusetts	Department of Employment Security Division of Employment Security	Basecutive director	Division is by hw in, but not subject to, Department of Labor and Industries, headed by Commissioner.
Minnesota Nevada New Hampshire Obio Oregon Rhode Island		Executive director Director Administrator Commissioner Director	Board of Review has power to adopt rules and regulations
South Dakota Tennessee Virginia Washington West Virginia	Employment Security Department. Department of Employment Security Unemployment Compensation Commission (I member). Employment Security Department Department of Employment Security	Employment Security Commissioner	State Commissioner of Labor is to give full cooperation and assistance to the Unemployment Compensation Commission

C.—In State department of labor or State workmen's compensation agency (18 States) 1

State	Name of department and administrative	Name of employment security unit or	Employment security executive officer			
head		units	Title	Appointed by-		
Alabama	Director.	Division of Employment Security Division of Employment Security	chief of division	Governor		
Arkansas Connecticut	Department of Labor, Commissioner Labor Department, Commissioner Industrial Commission (3 members with tripartite representation).	Employment Security Division. Division of Employment Security Unemployment Compensation Division, Florida State Employment Service Division.	Administrator Executive director Executive director of Industrial Commission.	Governor. Labor Commissioner. Commission,		
Hawail	Relations, Commission (5 members, bipartisan)	Employment Security Agency Bureau of Employment Security	Director of Department of Labor and Industrial Relations	İ		
Illinois	Department of Labor, Director	Division of Unemployment Compensa- tion, Illinois State Employment Service	Director of Labor			
Kansas Louisiana Missouri	Department of Labor, Commissioner	Employment Security Division Division of Employment Security Division of Employment Security	Director. Administrator. Director	Commissioner of Labor		
Nebraska New Jersey	Department of Labor, Commissioner	Division of Employment Security Division of Employment Security	Director	Governor Governor		
New York		Division of Employment	Executive director	Industrial Commissioner.		
North Dakota		Unemployment Compensation Division, North Dakota State Employment Ser- vice Division.	Chairman of Workmen's Compen- sation Bureau.	Governor.		
Pennsylvania		Bureau of Employment Security	Executive director	doublant		
Utah	Industrial Commission (3 members, bi-	Department of Employment Security	Administrator			
Wisconsin	pertissu). Industrial Commission (3 members)	Unemployment Compensation Department, Department of Wisconsin Employment Service.	Chairman of Industrial Commission.	Governor		

Only in North Dakota is the unemployment insurance law administered by the workmen's compensation agency.

of labor. In other States, commission members are in practice representative of labor groups. Altogether such groups are represented officially in 10 State employment security commissions (table 35-A).

Some statutes require that the membership of the commission be bipartisan in character and several, that the membership be both bipartisan and representative of employers, labor, and the public.

In six States the Governor designates the chairman of the commission; in five other States the commission elects its own chairman. In some States with tripartite representation on the commission, the public member is chairman by statute; in other States the public member is, in practice, chairman. The Wyoming Commissioner of Labor is, by statute, chairman of the Employment Security Commission and the president of the Board of Commissioners is chairman of the District of Columbia Unemployment Compensation Board.

In eight States ² the chairman of the commission is the executive officer of the employment security agency. In six States ² with per diem or part-time commissions and South Carolina with a full-time commission, the commission appoints a full-time executive director or administrator. In Indiana the Governor appoints a full-time executive director who is secretary of the commission. In Arizona the part-time Employment Security Commission itself supervises the two coordinate divisions, the Arizona State Employment Service Division and the Unemployment Compensation Division.

Independent departments of State government.—The independent departments or bureaus of employment, employment security, economic security or unemployment compensation represent another type of administrative development in 17 States (table 35-B). The administration of the program is headed by a director, executive director, commissioner, or administrator appointed by the governor. In Kentucky the Bureau of Employment Security is a part of a Department of Economic Security which includes a Bureau of Social Services. In Massachusetts, the Division of Employment Security is by law in, but not subject to, the Department of Labor and Industries.

In State department of labor.—Seventeen States have placed their employment security divisions in the State department of labor, or industrial relations, or labor and industry, or labor and industrial relations, or under the State industrial commission. North Dakota utilizes another social insurance agency, the workmen's compensation board.

¹ Delaware, Iowa, Maine, Montana, New Mexico, North Carolina, Texas, and Vermont.

² Alaska, District of Columbia, Michigan, Mississippi, Oklahoma, and Wyoming.

In 13 of these States (table 35-C) the division of employment security or of employment is an integrated employment security agency headed by a director, executive director or administrator. In Alaska, Florida, Illinois, and Wisconsin, separate unemployment compensation and employment service divisions report to the department of labor, and in North Dakota there are two separate divisions under the Workmen's Compensation Bureau. In Alabama the Director of Industrial Relations is also Chief of the Division of Employment Security.

Merit selection of employees.—One of the Federal requirements for administrative grants to States under the Social Security Act is that the State unemployment insurance law make provision for "methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Secretary of Labor shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods." All State laws have made provision for appointment on a merit basis of personnel administering the unemployment insurance programs, with the exception of the policymaking heads of the agency. In the States with a civil service law applicable to all departments of State government, appointment of employment security personnel is in accordance with State civil service regulations. Employees of the the District of Columbia Unemployment Compensation Board are appointed under the Federal civil service regulations. In States without statewide civil service systems, employees are appointed under merit systems which were established to meet the requirements of the Social Security Act.

Advisory Councils

All but 3 State laws provide for statewide advisory councils. In 46 States such a council is mandatory; in 2, permissive. Hawaii and Montana have appointed advisory councils though there is no statutory requirement for such councils. In 27 States the council is appointed by the governor, in 15 States by the employment security administrative authority, and in 8 States by the overall administrative agency (table 36).

Purpose of advisory councils.—In most States the councils are for the purpose of aiding the agency in formulating policies and meeting problems relating to the administration of the Employment Security Act, and in assuring impartiality and freedom from political influence in the solution of such problems. The council can make recommendations on its own to the Governor and/or the legislature

Table 36. -- State and local advisory councils

	State councils					
Stato		Num- ber of Group		os represented *		Local or special councils
	Appointed by—	pers :	Em- ployer	Em- ployee	Public	<u> </u>
Alabama Alaska Arizona Arkmisas California Colorado Connecticut Delawaro District of	Governor Governor Employment Security Commission Governor Governor Governor Governor Governor Governor Governor	9 5 9 (1) 7 11 6 7	X 2 X 3 4 2 3	X 2 X 8 4 2 8	X 1 X 1 3 2 1	Permitted. Permitted. Permitted.
Columbia. Florida Georgia Hawaii	Industrial Commission Commissioner of Labor Director of Labor and Industrial Rolations. Executive Director of Employment	(1) (1) (2)	X X 4	X X 4	X X 7	Permitted. Permitted.
Illinois Indiana Iown * Kansas Kentucky Louisiana Maine Maryland Massachusetts Michigan Minnesota Mississippi Missourt Montana *	Scerrity Agency. Covernor Employment Security Board Employment Security Commission. Commissioner of Lobor Commissioner of Economic Security Governor Employment Security Commission. Governor Governor Governor Governor Governor Governor Governor Governor Covernor Commission Covernor	00000000000000000000000000000000000000	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	XXXXXXX 24 XX 25	8 XXXXXXX XX 2 XX 3 5	Permitted. Permitted. Permitted. Permitted. Permitted. Permitted. Mandatory Permitted. Permitted.
Nebraska Nevada Nevada New Hampshire New Jersey New Mexico New York North Carolina North Dakota Ohio Oklahoma Oregon Pennsylvania Rhode Island South Carolina South Carolina Tennessee Toxas Utsh Vermont Virginia	Commissioner of Labor Governor Coremor Commissioner of Employment Security Employment Commission Industrial Commission Governor Governor Commissioner of Employment Security Employment Commission Industrial Commission Unemployment Commission Unemployment Commission Compensation Commission	6 977 9 76 9 00 00 00 00 00 00 00 00 00 00 00 00 0	2332 X X X X X X X X X X X X X X X X X X	2332 X 3 X X X X X X X X X X X X X X X X	23 33 X 3 XX 3 XX 3 XX X	Pormitted. Mandatory. Mandatory Permitted Mandatory Mandatory. Permitted. Permitted. Permitted. Permitted. Permitted. Permitted. Permitted. Permitted. Permitted.
West Virginia Wisconsin Wyoming	Commissioner of Employment Se- curity Governor Industrial Commission Employment Security Commission	(3)	3 X X	3 X X	3 2 	Permitted. Permitted. Permitted. Permitted.

¹ Number of members is minimum in Alabama and maximum in Arlzona, Maine, and Washington, in Utah the number of employer and employee members is minimum, in Idaho the number of members may vary from a minimum of 3 to a maximum of 11 with no representation of groups required, in other States footnoted, number of members is not specified

2 "X" indicates representation of group required but number of representatives not specified.

3 State council not mandatory, in Hawaii and Montana, no statutory requirement.

in 11 States. In Massachusetts the council reports to the Governor at least quarterly and to the legislature annually; in New York, to the Governor and legislature biennially; and in Pennsylvania, to the Governor periodically. In New Jersey the Employment Security Council reports to the Governor and the legislature annually and at such other times as it may deem in the public interest. The Wisconsin council reports to each biennial legislature; in addition it may report to the proper legislative committee on any pending unemployment insurance bill.

In Colorado the council must approve expenditures from the special administrative fund. The California council is, by statute, limited to problems relating to administration of the employment service. The Illinois Board of Unemployment Compensation and Free Employment Office Advisors and the Board of Local Illinois Free Employment Office Advisors for each employment office are established by the Illinois Civil Administrative Code.

Representation on councils.—Equal representation of labor and employer groups is specifically provided in all States except Idaho and Texas, and one or more public members in all States except Michigan, Oklahoma, and Wisconsin. In Texas the council must be composed of persons representing employers, employees, and the public, but equal representation is not specified. In Idaho the director is to prescribe the qualifications of the members. In New Jersey no more than four members of the council may be of the same political party. In Nebraska two members must have no interest either as employers or employees, and in Missouri and Ohio at least three members must be individuals whose training and experience qualify them to deal with the technical, economic, and social aspects of unemployment insurance. Eleven States * provide that women must be represented on the advisory council; in practice they are represented on other State councils. Since the Rhode Island council of nine members serves for the disability insurance program also, one of the public members must be a representative of the medical profession. New Jersey has a separate advisory council on disability benefits.

In Nevada the executive director of the Employment Security Department, and in Ohio the chief of the Division of Research, serve as ex officio secretary of the respective councils. In Oklahoma the chairman of the Employment Security Commission is ex officio chairman of the council and in Pennsylvania the Secretary of

⁸ Alabama, Delaware, Massachusetts, Michigan, Missouri, New Jersey, New York, Ohio, Penbsylvania, West Virginia, and Wisconsin.

Arizona, Arkansas, Indiana, Kansas, Nevada, New Mexico, New York, Oklahoma, Oregon, Pennsylvania, and Bhode Island.

Labor and Industry is ex officio a member of the council; the secretary appoints a member of his staff as secretary of the council. In Wisconsin a salaried employee of the Industrial Commission is chairman of the State council and of each local or industry committee.

Special councils.—Thirty States (see table 36) provide for local and industry or special councils as well as a statewide advisory council, but in only four States is their appointment mandatory. In all States except Illinois, Maryland, and West Virginia, the local State councils are appointed by the same authority as the State councils; in Illinois the director of the Department of Labor and in Maryland the executive director of the Department of Employment Security appoint the local councils; in West Virginia the State advisory council appoints the local councils for a limited and temporary period. Local councils also must ordinarily be representative of employees, employers and the public; however the permissive provisions in Arizona, Arkansas, Indiana, and Washington contain no statements concerning membership of the special councils. Nevada the Farm Labor Council must include representatives of substantial commodity interests so that the problems peculiar to each commodity group will be considered in State planning and administration.

Appeal Authorities

Among the requirements of the Social Security Act for Federal financing of the State administration of unemployment insurance is provision in the law for "opportunity for a fair hearing before an impartial tribunal, for all individuals whose claims for unemployment compensation are denied." All State laws provide for such appeal tribunals; all but four provide for two appeal stages (table 37) before cases can be appealed to the State courts. Obviously the provisions differ considerably from State to State with differences in the appeals load, in the overall administering pattern, in the geographic characteristics of the State, and other factors. In all States, not only individuals whose claims are denied but employers who have reported potentially disqualifying acts have a right to appeal decisions on claims.

First appeals stage.—Under 24 State laws, appeals at the initial stage are to be heard by a single referee or examiner and in Arizona and Minnesota by an examiner and 2 associates. In 20 States the appeal may be heard by a referee or by a referee and 2 associates (table 37); in Wisconsin, by an examiner, 3 examiners, or an examiner and 2 associates; in West Virginia, by an examiner, 3 examiners, the Board of Review or a member of that board; in Massachusetts, by the Board of Review or any member of the board or by an

Table 37.—Constitution of Initial and final appeals authorities

State	Initial appeals authority	· Final appeals authority				
Alabama	Referee	Board of Appeals				
-Alaska	Rofereo.					
Artzona	Examiner and 2 associates	Employment Security Commission.				
Arknasas	Referee, or referee and 2 associates.	Board of Review				
California	Referee	Appeals Board				
Colorado	Referee	Unemployment Compensation Com- mission.				
Connecticut	Commissioner	(n)				
Delaware	Commissioner Examinar, or examiner and 2 associates	Unemployment Compensation Com-				
District of Colum-	Examiner, or examiner and 2 associates	Unemployment Compensation Board				
Florida	Referee	Board of Review.				
Georgia	Referee, or referee and 2 associates	Board of Review				
HowaiL	Referee	Dodg of treates				
Idaho	Examiner	(i) Industrial Accident Board.				
Illinois.	Referee					
Indiana	Referee	Board of Review				
	Examiner, or examiner and 2 associates					
Iowa	Defence, of the minute and 2 testerious	Labor Commissioner				
Kansas	Referee.					
Kentucky	Referon	Unemployment Insurance Commission.				
Louisima	Referee, or referee and 2 associates	Board of Review				
Maine	Examiner, or examiner and 2 associates	Employment Security Commission				
Maryland	Referee	Board of Appeals Board of Review				
Massachusetts	Member of Board of Review or examiner designated by Board.					
Michigan	Referee	Appeal Board				
Minneson	Examiner and 2 associates	Employment Security Commissioner				
Mississippi	Referee, or referee and 2 associates	Board of Review				
Missouri	Referee, or 3 referees.	Industrial Commission.				
Montana	Examiner, or examiner and 2 associates	Unemployment Compensation Com- mission				
Nebraska	Examiner, or examiner and 2 associates	(<u>(</u>).				
Nevada	Examiner, or examiner and 2 associates	Board of Review.				
New Hampshire	Examiner, or examiner and 2 associates Examiner, or examiner and 2 associates	(D).				
New Jersey	Examiner, or examiner and 2 associates	Board of Review.				
New Mexico	Examiner, or examiner and 2 associates	Employment Security Commission.				
Now York	Referee	Appeal Board				
North Carolina	Examiner, or examiner and 2 associates	Employment Security Commission				
North Dakota	Referee, or referee and 2 associates	Workmen's Compensation Burcau.				
Ohio	Roferco.	Board of Review.				
Oklahoma	Referee, or referee and 2 associates	Board of Review.				
Oregon	Referee					
Pennsylvania	Raferee	Board of Review.				
Rhode Island	Roferee	Board of Review.				
South Carolina	Referee, or referee and 2 associates	Employment Security Commission.				
South Dakota	Referee	Employment Scourity Commissioner Board of Review				
Tennessee	Rofereo					
Texas	Emminer					
Utah	Referee	Board of Review. Unemployment Componsation Com-				
Vermont	rteleree	mission.				
**************************************	Manualana as assessment as and 0 ages 4.4.	Unemployment Compensation Com-				
Virginia	Examiner, or examiner and 2 associates	mission.				
Washington	Emminer	Employment Security Commissioner				
West Virginia	Examiner or 3 examiners or Board of Re-	Board of Review.				
	view or a member of the Board.					
Wisconsin	1 or 3 examiners, or examiner and 2 asso-	Industrial Commission.				
Wyoming	ciates Examiner, or examiner and 2 associates	Employment Socurity Commission.				
Jammer		manpay must but soy commission.				
	<u></u>	·				

Only one administrative appeal. See text.

examiner designated by the board; in Missouri, by a referee or 3 referees. When the States use a referee and 2 associates, the associates are representatives of the interests of employers and employees, on a per diem basis.

In Connecticut, where there is only one appeal stage, the Governor appoints 6 commissioners, 1 for each congressional district and 1 for the State at large, to be known collectively as the Unemployment Commission. The commissioners ordinarily hear cases singly, but any commissioner may request that two or more additional commissioners sit at a particular hearing. Of the other 3 States

without a second administrative appeal, Nebraska and New Hampshire have the alternative provision of a salaried examiner or an examiner and 2 per diem members representing employers and employees, and Hawaii uses a per diem referee who may also hear appeals arising under other laws administered by the Department of Labor and Industry.

Second appeals stage.—Twenty-three States have a board of review or board of appeals or appeals board to hear cases appealed from the decision of the lower appeal tribunal (table 37). All these boards consist of three members, except New York which has five. The Florida Board of Review is composed of the chairman of the Industrial Commission, who is chairman, the director of the Unemployment Compensation Division, and the appeals supervisor. The Indiana Board of Review is appointed by the Employment Security Board; the Mississippi Board of Review by the Employment Security Commission, and the New Jersey Board of Review by the director of the Division of Employment Security; in the other States, the appeals board is appointed by the Governor.

The members of the appeals boards represent labor, employers, and the public in seven States; but in West Virginia, the Governor may not appoint anyone who is identified with the interests of either employers or employees. In Ohio, Oregon, and Rhode Island, no more than two members, and in New York, no more than three members, may belong to the same political party; and in Oklahoma, no member may serve as an officer of any political party organization during his term of office.

In 24 States the second appeals stage is handled by an existing commission or agency head. These States include all but four 6 of the 16 States headed by an independent commission or board; the board which constitutes the administrative agency functions as the appeals board. In Missouri and Wisconsin where the agency is under the State industrial commission and North Dakota where it is under the workmen's compensation agency, these overall agencies serve as the appeals board. Idaho utilizes the Industrial Accident Board, part time, as the unemployment insurance appeals board. The Kentucky commissioner of Economic Security and two per diem associate commissioners constitute the Unemployment Insurance Commission which serves as appeals board and adopts rules and regulations.

In Minnesota, South Dakota, Virginia, and Washington the commissioner in charge of the independent employment security agency hears second-stage appeals and in Alaska and Kansas the Commissioner of Labor carries out this function.

Indiana, Michigan, Mississippi, and Oklahoma.

⁵ Alabama, Arkansas, Louislana, Nevada. Ohio, Oregon, and Rhode Island.